

# EXHIBIT A

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NEW YORK

CONSUMER FINANCIAL  
PROTECTION BUREAU,  
THE PEOPLE OF THE  
STATE OF NEW YORK,  
By Letitia James,  
Attorney General of the  
State of New York,  
STATE OF COLORADO,  
Ex rel, Philip J. Weiser,  
Attorney General,  
STATE OF DELAWARE,  
Ex rel. Kathleen Jennings,  
Attorney General,  
State of Delaware,  
THE PEOPLE OF THE  
STATE OF ILLINOIS,  
Through Attorney General  
Kwame Raoul,  
THE STATE OF MINNESOTA,  
By its Attorney General  
Keith Ellison,  
THE STATE OF NORTH CAROLINA,  
Ex rel. Joshua H. Stein,  
Attorney General,  
THE STATE OF WISCONSIN,

Docket Number:  
1:24-cv-00040-EAW-MJR

Plaintiffs,  
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v.  
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\*  
STRATFS, LLC,  
Formerly known as Strategic  
Financial Solutions, LLC.,  
STRATEGIC CLIENT SUPPORT,  
LLC, formerly known as  
Pioneer Client Services, LLC,  
STRATEGIC CS, LLC,  
STRATEGIC FS BUFFALO, LLC,  
STRATEGIC NYC, LLC,  
BCF CAPITAL, LLC,  
T FIN, LLC,  
STRATEGIC CONSULTING, LLC,  
VERSARA LENDING, LLC,  
STRATEGIC FAMILY, INC.,

Buffalo, New York  
May 23, 2024  
11:09 a.m.

ORAL ARGUMENT

1 issue in terms of whether or not Fidelis is a receivership  
2 defendant.

3 **THE COURT:** Mr. Personius, I negligently left you out.  
4 I ask you now if you want to say anything, sir.

5 **MR. PERSONIUS:** May I stand up, Judge?

6 **THE COURT:** Sure. You can stand up, sit down. I draw  
7 the line at laying down.

8 **MR. PERSONIUS:** Something else I want to, Judge -- and  
9 I prepared --

10 **THE COURT:** Let me just clarify. Right now, we're  
11 talking Fidelis. We're not to your being held in contempt.

12 **MR. PERSONIUS:** Okay. Well, this was an issue you  
13 raised when you were talking to Mr. Durland and I know what it  
14 was based on.

15 It was based upon a statement that was made by the  
16 receiver and a filing that's at document 347, the receiver's  
17 further reply, in support of emergency motion.

18 And it's on page eight, where the -- do you have that  
19 document?

20 **THE COURT:** I'm with you.

21 **MR. PERSONIUS:** Great. Down at the bottom, this is  
22 where he's talking about this Javier Evela and --

23 **THE COURT:** The accountant.

24 **MR. PERSONIUS:** I'm sorry.

25 **THE COURT:** The accountant?

1                   **MR. PERSONIUS:** Yes, sir.

2                   **THE COURT:** Yeah.

3                   **MR. PERSONIUS:** In the last ten lines on page eight,  
4 he definitively says that Evela is the one that prepared the  
5 invoices for the law firm.

6                   No -- just absolutely no question about it. That's --  
7 that's what his position is. That's what he represents to the  
8 Court. And apparently he's still representing that in the  
9 courtroom today.

10                  And what I did, Judge, I went to the exhibit that  
11 contains these invoices, which is Exhibit O and that exhibit is  
12 at document 237-17.

13                  And what I did is I took the documents that are part  
14 of that exhibit and I put them in the proper order.

15                  If you go to Exhibit O -- and I'm not suggesting this  
16 was done intentionally, but the way the documents are put in  
17 Exhibit O, they are out of order.

18                  And it -- it would lead somebody causally looking at  
19 the exhibit, it lead me to believe it when I first looked at it,  
20 I said, wait a minute. It looks as though Evela is preparing  
21 the invoices for Fidelis.

22                  And, of course, that would be a problem, but it's  
23 absolutely not the case. I put them in the proper order.

24                  May I share that with you and counsel?

25                  **THE COURT:** Sure. Please.

1                   **MR. PERSONIUS:** And what I've given you, Judge -- just  
2 so it's identified for the record, are three pages. They are  
3 taken from document 237-17.

4                   And what is telling in terms of the order is that at  
5 the upper right, the document that I put first, says page four  
6 of 29.

7                   The document I've put second says page five of 29.  
8 But the one I put third says page two of 29, because that's how  
9 they were put in Exhibit O, that was part of this pleading.

10                  But what we need to start with is the invoice. Not  
11 with something that happened later on that involved Mr. Evela.

12                  If we start with page four of 29, the first page which  
13 says invoice on the left-hand side, and it says who to bill it  
14 to.

15                  And importantly, what it says on the right-hand side  
16 is that it's invoice 1122. And it provides a date of 05/03/2022  
17 for \$28,750.

18                  If we then go to page five of 29, that identifies  
19 itself as a final audit report. And it's created on 5/6/22,  
20 which is three days after the invoice, and it's created by  
21 Mr. Evela.

22                  So he's preparing a field audit report based on an  
23 invoice that was prepared three days earlier not by him, but by  
24 somebody at Fidelis.

25                  And then below that, he provides a history regarding

1 this invoice, which first indicates this field audit report.

2 Not the invoice, but the field audit report was  
3 prepared by him. And that this field audit report, which is  
4 three days older than the invoice, was sent for signature to  
5 Michelle Heinz by him on that same date, May 6th.

6 That then it was reviewed by her on that date -- I'm  
7 sorry. It was reviewed by her actually on May 8th, so it was  
8 two days later.

9 She then signs it and it shows the agreement being  
10 completed on that date, which is May 8th. And if you go back  
11 again to the first page, page four of 29, you see at the top  
12 Michele Heinz, May 8, 2002, which is totally consistent with the  
13 field audit report.

14 And then if you go to the -- the third page, which on  
15 what was provided in the exhibit was page two of 29, which would  
16 have been the first page you see when you look at it, it says  
17 you're done signing.

18 And it says attached is the final agreement. And,  
19 again, the date is May 8th of 2022, which is five days after the  
20 invoice was prepared.

21 And what happened here, if I may, Judge, is that  
22 Fidelis prepared the invoice. Sent it to Evela, who works for  
23 the law firms, not for Fidelis.

24 And reviewing the material and sending it to the law  
25 firms to review, he uses an Adobe software. And the Adobe

1 software is from days or years before is registered to Client  
2 First Bankruptcy.

3 Because Evela at one time performed work for Client  
4 First Bankruptcy, and just never bothered to change who the  
5 software was registered to.

6 But it by no means is an indication that he was doing  
7 anything for Client First Bankruptcy when these documents were  
8 prepared.

9 And so the point is, it couldn't be clearer than day  
10 that what the receiver has said is dead wrong.

11 And I know you adopted it, because in questioning  
12 Mr. Durland, when he was explaining certain things to you, you  
13 immediately went to this and said what about it. This was  
14 important to you.

15 And I understand that and I kind of picked up on that  
16 when I looked through the papers and I said, you know, I'm going  
17 to prepare a document for the Court that puts this in the proper  
18 order, so that you can see firsthand that -- how this has been  
19 represented to you is dead wrong.

20 It's false. I'm not saying it was done intentionally,  
21 but it's wrong. And I know it was a big part of your  
22 decisionmaking.

23 It just wasn't done properly. And whoever put this  
24 exhibit together, shame on them. Because it's not in the right  
25 order.

1           And I came to the same conclusion as you did when I  
2 first looked -- and I looked at every single one and they are  
3 all in the wrong order.

4           They are all done backwards to make it appear -- I'm  
5 not saying it was done on purpose, but it makes it appear that  
6 it was Evela that was preparing the invoices, because it's the  
7 first document you see.

8           And it is not the -- it wasn't the way it went. And  
9 if you pay careful attention to the dates and how the documents  
10 are identified, it shows a whole different scenario.

11          So I wanted to say that and add that to this  
12 discussion. You mentioned having a hearing. And as you  
13 probably know, I enjoy hearings.

14          I'm never crazy about putting a client on. And often  
15 in criminal cases, I don't do that. It may be, Judge, that we  
16 have to do that here.

17          It may well be, because as much as I would like to  
18 stand up here and fall on my sword and say, you know -- because  
19 I -- now, I'm getting along with Mr. McNamara.

20          I think he would agree with that. We get along now,  
21 but I don't agree with much of what he says in his papers.

22          I absolutely don't agree when he puts in his papers  
23 that there were all these outreaches to either Mr. Blust or me  
24 and there were only three. And I've cataloged those in my  
25 papers.

1           And if you want me to get into that further when I get  
2 to speak about Jason, I will, but I can't stand here and say,  
3 you know, you are right?

4           When he did that, that original declaration, he --  
5 Jason was lying. I'm not sure he was.

6           When those e-mails -- and Mr. Durland talks about the  
7 fact that he had on his law firm cap, I think there is some  
8 truth to that.

9           I think a lot of that has to do with who Jason Blust  
10 is as a person. He's certainly not me. I'm anal retentive.  
11 Mr. Detail. I review things five times.

12           Ask anybody in my office, when I put a pleading  
13 together, it goes through at least five iterations.

14           I would guess with Jason, it might go through one and  
15 it's in good enough to go, because his mind works that way.

16           He's a total different person than I am and I think he  
17 is a total different person than you are.

18           Certainly, Spencer Durland is not a Jason Blust, but  
19 I'm getting beyond what you wanted me to talk about, but I just  
20 wanted to clear that up because I think it's an extremely  
21 important point.

22           **THE COURT:** Thank you.

23           **MR. PERSONIUS:** Thank you.

24           Mr. McNamara --

25           **MR. McNAMARA:** Your Honor, we would be glad to go back

1 and look at how the exhibits were put together.

2 I think these are the e-mails that we pulled off the  
3 system that weekend where we were scrambling to get this done.

4 And this -- I mean, it couldn't be clearer. It is  
5 coming from a document created by Javier Evela and he's using  
6 Mr. Blust's e-mail account to create the documents.

7 And that's the essential part of this is the timing --  
8 you know, we can sort that out if we have an evidentiary  
9 hearing.

10 But the fact is that these were created by Mr. Evela  
11 using Mr. Blust's e-mail accounts, which is why we included it.

12 **MR. BOYD:** And, Judge, if I might be heard briefly on  
13 this -- all due respect to Mr. Personius, I don't think he's  
14 reading this the right way in terms of the ordering.

15 So what you have in the original ordering, they put an  
16 e-mail first and its attachments after it, which is -- that's  
17 kind of how everybody does it.

18 You have the e-mail first and then the attachments.  
19 What he's done is he's taken the attachments and you put them  
20 first and the e-mail after, which -- you know, no document  
21 review program would do that and I don't think I've ever  
22 submitted an exhibit that way.

23 So, you know, working through this -- at least to  
24 just -- looking at the face of this, what you have -- the third  
25 page is now -- this is the e-mail that's getting sent from

1 Mr. Evela using the Adobe software.

2 There is an attachment, there is a signed PDF, right?

3 And it is getting sent to Michelle Heinz. The PDF itself is the  
4 very first document, is the invoice.

5 What Acrobat allows you to do is have an audit trail  
6 for signatures. And that's what the second page is.

7 And what's that showing is you have the PDF itself  
8 apparently gets created on the third, right? The actual  
9 invoice.

10 It then gets put into Acrobat for signing by Mr. Evela  
11 on the 6th. And at that point, it's then e-mailed to Michelle  
12 Heinz.

13 You see each of these steps. She then views it. She  
14 E-signs it and it's completed, but it's clearly -- the invoice  
15 is coming from Mr. Evela.

16 I don't think there can be any real dispute about  
17 that. The audit trail shows that. The e-mail shows it.

18 And as far as the ordering of documents, you put an  
19 e-mail first and put attachments second. That's just how you do  
20 it.

21 **THE COURT:** Well, just so I understand plaintiffs and  
22 Mr. McNamara's position. This page four of 29, this invoice --

23 **MR. McNAMARA:** Yes.

24 **THE COURT:** -- this invoice was created by Mr. Evela.

25 **MR. BOYD:** That is the way it appears to be. Because

1 it -- it -- it wouldn't make sense otherwise, right?

2 If you look at page two in the audit trail and it  
3 shows the invoice for signing is -- it says document created by  
4 Javier Evela.

5 Look, Judge, you know, I have no personal knowledge  
6 about this, so you may be right. We may need an evidentiary  
7 hearing with maybe Mr. Evela or someone actually who knows what  
8 happened to talk about it.

9 But, you know, I have used Adobe Acrobat for signing  
10 before and this is how it works.

11 You create a PDF, right? Your invoice software  
12 generates an invoice. It's dated on the 3rd. You then take  
13 your invoice and say, hey, we have to send this invoice out,  
14 right?

15 So it's then created. It's then put in the system to  
16 be sent. Michelle Heinz takes a look. Michelle Heinz signs,  
17 apparently, on the 8th, and it then says agreement completed.

18 All of that is an attachment to the e-mail, which is  
19 page two of the original exhibit or the last page here.

20 So -- you know, again, all due respect, but I don't --  
21 I don't think putting e-mails first, attachments second is as  
22 nefarious as Mr. Personius is suggesting.

23 **THE COURT:** He never said nefarious. He made it a  
24 point to say he didn't know whether it was intentional or not.

25 **MR. BOYD:** Anyway, I think he said shame on whoever

1 put the exhibit together. I'll say, Judge, every exhibit I have  
2 ever put together has e-mail first, attachment after.

3 **MR. PERSONIUS:** Judge, Mr. Boyd -- and I won't say  
4 with all due respect, because Judge Elfin always told me that  
5 when you say that, Mr. Personius, it suggests when you don't say  
6 it, you are not being respectfully, so I never ever say it.

7 And you know how smart Judge Elfin was, but be that as  
8 it may, Mr. Boyd is now essentially testifying as a witness  
9 about something that he knows nothing about.

10 As I understand from what Mr. Durland says, there is  
11 information in his papers from Fidelis that will support exactly  
12 the way I've explained this.

13 And when Mr. Boyd says document created by Mr. Evela,  
14 that's on May 6th, 2022. It's the field audit report, because  
15 the invoice is dated May 3rd, 2022.

16 But, again, we're probably -- as you keep suggesting,  
17 we're probably going to have a hearing, but I believe  
18 Mr. Durland can confirm that the Fidelis papers already  
19 submitted support my interpretation of this.

20 And it's just concerning to me that Mr. McNamara says  
21 the things he says. Not on information and belief, but as  
22 though it's proof positive fact.

23 And maybe we all can do that and maybe we shouldn't,  
24 but my point here is this certainly isn't proof positive fact  
25 that it is the way he way he says it is. And I know when you

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1 came out here, you thought it was.

2 **THE COURT:** Well, you certainly raised a question.

3 **MR. DURLAND:** Judge Roemer, can I just heard very  
4 briefly -- I'm sorry. It's me.

5 **THE COURT:** Yeah.

6 **MR. DURLAND:** On the invoice issue, Mr. Personius is  
7 correct. There are e-mails -- I'm looking at 320-2, from our  
8 submission.

9 This is an e-mail from Cameron Christo to Javier  
10 Evela. Javier, hope you are well and enjoying the week. Please  
11 find attached all of Fidelis's billing for the month. Best,  
12 Cameron.

13 Attachments -- 25 attachments. All PDFs. All Fidelis  
14 invoices. Each one corresponding to a different law firm.

15 Those are the law firms for which Mr. Evela performs  
16 accounting services. That's from Fidelis's file. That's just  
17 an exemplar.

18 320-8, this is one of the e-mails that we pulled from  
19 the pool of Lit Def data that the receiver provided to us.

20 Original e-mail -- this was back in 2021. That first  
21 one was 2023: Javier, please find attached invoices for  
22 Guidestone and Hallock, H-A-L-L-O-C-K, for October of 2021.  
23 Best, Cameron.

24 Then the next e-mail in the thread is Mr. Evela to  
25 Michelle Heinz. Approve for payment.

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1                   The next e-mail is Michelle Heinz back to Mr. Evela.

2 Approved.

3                   I don't really think that there is -- I know  
4 Mr. Personius is talking about a hearing and the Court is  
5 talking about a hearing.

6                   I think on this point, it's pretty clear, Judge, that  
7 the history that the receiver is talking about and that the  
8 plaintiffs are talking about is the history from Mr. Evela's  
9 perspective.

10                  He takes the PDFs he receives from Mr. Christo and he  
11 creates them in the Adobe signed environment, so that the law  
12 firm managers can approve and sign them.

13                  So I know that we've spent a lot of time -- and this  
14 is just one piece of the receiver's argument and it's just one  
15 piece of our rebuttal.

16                  But I think on this particular point, I'm surprised  
17 that there is even a debate. I think the documents are very  
18 clear.

19                  Mr. Christo creates Fidelis's invoice. He sends them  
20 to Mr. Evela, to the extent that Mr. Evela performs the relevant  
21 accounting services.

22                  **THE COURT:** When you say Mr. Christo, he himself  
23 creates these invoices?

24                  **MR. DURLAND:** Yes, Judge. These e-mails are from him.

25                  **THE COURT:** Okay. And he creates the invoices?

1                   **MR. DURLAND:** I believe that's correct, Judge. I know  
2 he receives reports on billing and I believe that he is the one  
3 that --

4                   **THE COURT:** Why don't you ask him. He's sitting next  
5 to you.

6                   **MR. DURLAND:** Sure.

7                   Mr. Christo creates them, Judge.

8                   **THE COURT:** He personally does his own invoices? No  
9 one else in the office does them? He does them?

10                  **MR. DURLAND:** That's correct, Judge.

11                  **THE COURT:** Okay. That's interesting. You seem to be  
12 hesitant to have an evidentiary hearing, Mr. Durland.

13                  **MR. DURLAND:** Well, I guess, Judge, what I would say  
14 is I'm --

15                  **THE COURT:** Do you want me to make a determination on  
16 this, just based on what I have in front of me now?

17                  We have already brought up about five different  
18 inconsistencies, but you want me to go on the papers?

19                  **MR. DURLAND:** Well, I think what I -- what I tried to  
20 explain -- maybe I didn't do it clearly enough, Judge, is I --  
21 I'm not -- I'm not saying that we can't have an evidentiary  
22 hearing.

23                  I'm just saying that I also think that it's our  
24 position --

25                  **THE COURT:** You don't think we need one.

1           And we do acknowledge that Mr. Blust and Lit Def  
2 violated the TRO. We have said that. And it's in the -- that  
3 period from when the TRO was issued on January 11th, through the  
4 end of that month.

5           And what happened during that period of time is that  
6 employees at Lit Def attempted to assist existing law firms with  
7 existing files in getting litigation material.

8           There was no new work that was undertaken. There were  
9 no -- no money that was made from what was being done.

10          It was trying to -- to keep the ball rolling on  
11 existing cases. That -- that is essentially the violation  
12 that -- that occurred.

13          And as to the later allegations by Mr. McNamara  
14 regarding Fidelis, I think without getting deeply into that, I  
15 think we do have to have a hearing.

16          Because as I told you earlier -- again, from my  
17 criminal practice, when I have a client that's done something  
18 wrong, I know you accept responsibility, because that goes a  
19 long way with the Court and then you cite mitigation.

20          And I can't here say definitively when Jason Blust  
21 prepared his declaration about his lack of involvement with  
22 Fidelis -- I can't stand in front of you right now with  
23 certainty, Judge, and say, yeah.

24          Those statements by him were intentionally false,  
25 because I'm not convinced they were. I have certainly seen no

1 circumstantial evidence, present it as fact, and argue I have  
2 established by clear and convincing evidence this is true.

3 I think the standard that applies here is an important  
4 consideration.

5 Thank you, Judge. Appreciate it. Do you have any  
6 questions?

7 **THE COURT:** We'll hear from Mr. McNamara and I'll have  
8 a couple of questions. I want to hear from him first.

9 **MR. PERSONIUS:** Okay. Thank you.

10 **MR. McNAMARA:** Do you want me to approach?

11 **THE COURT:** Sure.

12 **MR. McNAMARA:** There is a lot to unpack. That was a  
13 lot to unpack. I was going to -- a lot of different spaces that  
14 Mr. Personius went to.

15 First, as to clear this word backwards, clear and  
16 convincing, I just heard Mr. Personius admit that they -- they  
17 violated.

18 You know, once that admission is in place, then we  
19 look for what the remedy is.

20 In this case, that remedy has to be, I believe, an  
21 award of attorneys fees for us to have to bring that motion.

22 So let me step back a little bit. So we went on the  
23 12th of January. And as you know, we had taken control of the  
24 business. And for a period of time, it was indeed shut down.

25 We brought back people five work days later on the

1 to show cause.

2 Now, I don't know Mr. Personius. He seems like a  
3 great guy. I think that that's -- you know, I think this is my  
4 all due respect part.

5 You know, I'll take him at his word that that's just  
6 not the way he operates, but that's where we were at.

7 And so there is contempt. They have admitted it. And  
8 then the question becomes the remedy.

9 At this point, I can't say I believe Mr. Personius has  
10 done a good job for his client, you know, in getting us the  
11 e-mails, which we finally got -- giving us access to the  
12 accounting records, doing other things that I can say to you  
13 that I believe the contempt has been remedied, right?

14 So there is no longer any ongoing contempt. The issue  
15 is whether -- is the remedy that we seek. We can certainly talk  
16 about that.

17 And then when we go to -- I do think it's probably  
18 worth addressing, because Mr. Personius addressed it,  
19 Mr. Blust's declaration that he filed with the Court on  
20 March 14th.

21 That declaration, in light of the e-mails that we  
22 found, was pejorative. There was no other way to say it, Judge.  
23 I don't say it lightly, but it was false.

24 He says several times: The receiver's assertion that  
25 I own and/or control a company called Fidelis Legal Service and

1 Support Services is just patently false. I do not control or  
2 owned and I never owned or controlled Fidelis.

3 He later goes on to say this, in paragraph 12: After  
4 the issuance of the TRO and the cessation of LDS's limited  
5 operation referred to above, three employees of LDS, Michelle  
6 Heinz, Dean Komis, K-O-M-I-S and Surva (phonetic) Saavedra,  
7 S-A-A-V-E-D-R-A, went on to work for a time for Fidelis.

8 Since the transfer, the LDS nor I played any role  
9 whatsoever either in the supervision -- in the supervision of  
10 their work or their compensation.

11 He did not participate -- in paragraph nine, he did  
12 not participate in any way in the funding or the formation of  
13 LDS or in the funding or operations or all its formation.

14 I had no direct or indirect and financial or  
15 otherwise. That's just not born out by the contemporaneous  
16 e-mails.

17 That he's making bonuses because he's making personnel  
18 decisions, et cetera.

19 I understand we're going to have a hearing and we'll  
20 be prepared to do that. The one thing I would address is that  
21 I'm fighting with my hand behind my back.

22 They have gotten and we turned over all of the Lit Def  
23 e-mails to Mr. Hoover's firm.

24 If we are going to have a hearing, I would like an  
25 opportunity to take some discovery so we can get the Fidelis

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1 e-mails and other Fidelis documents, which may help us in an  
2 evidentiary hearing.

3 **THE COURT:** Well, you talked about the running. Okay.

4 They have admitted to running Lit Def when they  
5 weren't supposed to.

6 **MR. McNAMARA:** Right.

7 **THE COURT:** Right? You say that that's ended, so  
8 there is really -- so you're not asking for any type of penalty  
9 or anything based on what happened with that?

10 **MR. McNAMARA:** No. I'm asking for the remedy that you  
11 are allowed to provide, which is --

12 **THE COURT:** Attorneys fees.

13 **MR. McNAMARA:** -- attorneys fees for having to bring  
14 the motion to actually get their attention.

15 **THE COURT:** Yeah. Yeah. Now, what about this perjury  
16 allegation?

17 What would be the remedy? What would I do if that  
18 were, in fact, correct?

19 **MR. McNAMARA:** Well, there are a number of things you  
20 could do.

21 You know, whether that's a referral to the U.S.  
22 Attorneys Office, whether it's a sanction. Mr. Blust is an  
23 officer of the Court and I believe his declaration --

24 **THE COURT:** But that's apart from, right, this -- the  
25 violating the TRO?

1                   **MR. McNAMARA:** It is.

2                   **THE COURT:** Right? This is a whole other topic?

3                   **MR. McNAMARA:** Right. I think his declaration relates  
4 more to the Fidelis matter, that we're going to have to address.

5                   And I think that at the end of that hearing, we might  
6 be in a position where we would ask for some sort of sanctions  
7 as a result of that -- the declaration of a false declaration.

8                   **THE COURT:** Or a referral to the U.S. Attorneys  
9 Office.

10                  **MR. McNAMARA:** Or a referral.

11                  **THE COURT:** Okay. Thank you.

12                  Mr. Personius --

13                  **MR. PERSONIUS:** Yes, Judge. Just a couple of things,  
14 Judge. Thank you.

15                  I do appreciate the tone of Mr. McNamara  
16 presentation --

17                  **THE COURT:** He's always calm and cool and collected.

18                  **MR. PERSONIUS:** There you go again.

19                  **THE COURT:** Yeah.

20                  **MR. PERSONIUS:** Mr. McNamara indicated again as fact  
21 that Lit Def operated through February of 2024. That's not our  
22 understanding.

23                  I don't think that's accurate. I think there are  
24 individuals who had worked at Lit Def, who were there then  
25 working for Fidelis.

Case 1:24-cv-00040-EAW-MJR Document 367 Filed 05/29/24 Page 84 of 86  
CFPB, et al v. StratFS, et al - Proceedings - 5/23/24 84

1 look for the communications with the Fidelis employees and the  
2 Lit Def employees.

3           **THE COURT:** I think that was what I was going to  
4 suggest, Mr. Boyd.

5           **MR. BOYD:** You are ten steps ahead of me, Your Honor.

6           **MR. HOOVER:** Judge, can I be heard please.

7           **THE COURT:** Sure.

8           **MR. HOOVER:** Tim Hoover. Mr. Christo's calendar is  
9 downstairs. Nothing jumps out at him that -- can he go check it  
10 before we accept this or would the Court --

11          **THE COURT:** Tell you what, Mr. Hoover, it's awful hard  
12 to get all of these people together. So it's going to be July  
13 10th and 11th and Mr. Christo will have to be here.

14          So he will have to rearrange his schedule to be here,  
15 okay?

16          **MR. HOOVER:** Okay, Judge. Understood.

17          **THE COURT:** All right. Now, there is another issue  
18 that I'm throwing out there. I want you to think about it.

19          I'm not sure I can do this. I'm sure I can do the  
20 issue of whether or not Fidelis can be brought in as a  
21 receivership defendant under the consent.

22          I'm not sure about the TRO violation. I didn't issue  
23 that order. Judge Vilardo, who is no longer in the case.

24          I don't know if I can do that now on a decision and  
25 order or it has to be a report and recommendation, which would

1 go now to chief Judge Wolford.

2 I'm not looking for an answer today. I just want you  
3 to -- I'm looking for help as to what you think should be done,  
4 okay?

5 I'm trying to stick with the consent the way it is,  
6 okay?

7 All right. Anything else?

8 **MR. PERSONIUS:** Thank you, no, Judge.

9 **THE COURT:** Mr. McNamara?

10 **MR. McNAMARA:** No, Your Honor. Thank you.

11 **THE COURT:** Plaintiffs?

12 **MR. BOYD:** Nothing further, Judge. Thank you.

13 **THE COURT:** Mr. Durland?

14 **MR. DURLAND:** No, Judge. Thank you.

15 **THE COURT:** Mr. Hoover?

16 **MR. HOOVER:** No, Your Honor.

17 **THE COURT:** All right. Have a good rest of the day.

18

19 (Proceedings concluded at 12:54 p.m.)

20 \* \* \*

21

22

23

24

25

# EXHIBIT B

AO 85A (Rev. 02/17) Notice, Consent, and Reference of a Dispositive Motion to a Magistrate Judge

**UNITED STATES DISTRICT COURT**  
for the  
**Western District of New York**

<u>Consumer Financial Protection Bureau, et al.,</u>	)	
<i>Plaintiff</i>	)	
v.	)	Civil Action No. 24-CV-40
<u>StratFS, LLC, et al.</u>	)	
<i>Defendant</i>	)	

**NOTICE, CONSENT, AND REFERENCE OF A DISPOSITIVE MOTION TO A MAGISTRATE JUDGE**

*Notice of a magistrate judge's availability.* A United States magistrate judge of this court is available to conduct all proceedings and enter a final order dispositive of each motion. A magistrate judge may exercise this authority only if all parties voluntarily consent.

You may consent to have motions referred to a magistrate judge, or you may withhold your consent without adverse substantive consequences. The name of any party withholding consent will not be revealed to any judge who may otherwise be involved with your case.

*Consent to a magistrate judge's consideration of a dispositive motion.* The following parties consent to have a United States magistrate judge conduct any and all proceedings and enter a final order as to each motion identified below (identify each motion by document number and title).

**Motions:** Motion for a Preliminary Injunction, Docket No. 5

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<i>Printed names of parties and attorneys</i>	<i>Signatures of parties or attorneys</i>	<i>Dates</i>
Consumer Financial Protection Bureau, Vanessa Buchko	/s/ Vanessa Buchko	02/13/2024
People of the State of New York, Christopher Boyd	/s/ Christopher Boyd	02/13/2024

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**Reference Order**

**IT IS ORDERED:** The motions are referred to a United States magistrate judge to conduct all proceedings and enter a final order on the motions identified above in accordance with 28 U.S.C. § 636(c).

Date: \_\_\_\_\_

*District Judge's signature*

*Printed name and title*

Note: Return this form to the clerk of court only if you are consenting to the exercise of jurisdiction by a United States magistrate judge. Do not return this form to a judge.

AO 85A (Rev. 02/17) Notice, Consent, and Reference of a Dispositive Motion to a Magistrate Judge

UNITED STATES DISTRICT COURT  
for the  
Western District of New York

Consumer Financial Protection Bureau, et al., )  
Plaintiff )  
v. ) Civil Action No. 24-CV-40  
StratFS, LLC, et al. )  
Defendant )

**NOTICE, CONSENT, AND REFERENCE OF A DISPOSITIVE MOTION TO A MAGISTRATE JUDGE**

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**Motions:** Motion for a Preliminary Injunction, Docket No. 5

<i>Printed names of parties and attorneys</i>	<i>Signatures of parties or attorneys</i>	<i>Dates</i>
State of Colorado, Kevin Burns	/s/ Kevin Burns	02/13/2024
State of Delaware, Marion Quirk	/s/ Marion Quirk	02/13/2024
State of North Carolina, M. Lynne Weaver	/s/ M. Lynne Weaver	02/13/2024

## Reference Order

**IT IS ORDERED:** The motions are referred to a United States magistrate judge to conduct all proceedings and enter a final order on the motions identified above in accordance with 28 U.S.C. § 636(c).

Date: \_\_\_\_\_

*District Judge's signature*

*Printed name and title*

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AO 85A (Rev. 02/17) Notice, Consent, and Reference of a Dispositive Motion to a Magistrate Judge

**UNITED STATES DISTRICT COURT**  
for the  
**Western District of New York**

Consumer Financial Protection Bureau, et al.,	)	
<i>Plaintiff</i>	)	
v.	)	Civil Action No. 24-CV-40
StratFS, LLC, et al.	)	
<i>Defendant</i>	)	

**NOTICE, CONSENT, AND REFERENCE OF A DISPOSITIVE MOTION TO A MAGISTRATE JUDGE**

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**Motions:** Motion for a Preliminary Injunction, Docket No. 5

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<i>Printed names of parties and attorneys</i>	<i>Signatures of parties or attorneys</i>	<i>Dates</i>
State of Wisconsin, Lewis Beilin	/s/ Lewis Beilin	02/13/2024
State of Minnesota, Evan Romanoff	/s/ Evan Romanoff	02/13/2024
State of Illinois, Amanda Bacoyanis	/s/ Amanda Bacoyanis	02/13/2024

**Reference Order**

**IT IS ORDERED:** The motions are referred to a United States magistrate judge to conduct all proceedings and enter a final order on the motions identified above in accordance with 28 U.S.C. § 636(c).

Date: \_\_\_\_\_ *District Judge's signature*

---

*Printed name and title*

Note: Return this form to the clerk of court only if you are consenting to the exercise of jurisdiction by a United States magistrate judge. Do not return this form to a judge.

AO 85A (Rev. 02/17) Notice, Consent, and Reference of a Dispositive Motion to a Magistrate Judge

**UNITED STATES DISTRICT COURT**  
for the

Western District of New York

Consumer Financial Protection Bureau, et al. <hr/> <i>Plaintiff</i> <hr/> v. StratFS, et al. <hr/> <i>Defendant</i>	)	) ) ) Civil Action No. 24-cv-00040-EAW-MJR ) )
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**NOTICE, CONSENT, AND REFERENCE OF A DISPOSITIVE MOTION TO A MAGISTRATE JUDGE**

*Notice of a magistrate judge's availability.* A United States magistrate judge of this court is available to conduct all proceedings and enter a final order dispositive of each motion. A magistrate judge may exercise this authority only if all parties voluntarily consent.

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*Consent to a magistrate judge's consideration of a dispositive motion.* The following parties consent to have a United States magistrate judge conduct any and all proceedings and enter a final order as to each motion identified below (*identify each motion by document number and title*).

**Motions:** Plaintiffs' Motion for Preliminary Injunction [Dkt. 5]

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Printed names of parties and attorneys	Signatures of parties or attorneys	Dates
Ryan Sasson Albert Ian Behar	/s/ Rodney Perry	02/09/2024
Daniel Blumkin Duke Enterprises, LLC	/s/ Rodney Perry	02/09/2024
Blaise Investments, LLC Twist Financial, LLC	/s/ Rodney Perry	02/09/2024

**Reference Order**

**IT IS ORDERED:** The motions are referred to a United States magistrate judge to conduct all proceedings and enter a final order on the motions identified above in accordance with 28 U.S.C. § 636(c).

Date: \_\_\_\_\_ *District Judge's signature*

*Printed name and title*

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AO 85A (Rev. 02/17) Notice, Consent, and Reference of a Dispositive Motion to a Magistrate Judge

## UNITED STATES DISTRICT COURT

for the

Western District of New York 

CONSUMER FINANCIAL PROTECTION BUREAU, et al )  
*Plaintiff* )  
 v. ) Civil Action No. 24-CV-40-EAW-MJR  
 S, LLC (f/k/a STRATEGIC FINANCIAL SOLUTIONS, LI )  
*Defendant* )

**NOTICE, CONSENT, AND REFERENCE OF A DISPOSITIVE MOTION TO A MAGISTRATE JUDGE**

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*Consent to a magistrate judge's consideration of a dispositive motion.* The following parties consent to have a United States magistrate judge conduct any and all proceedings and enter a final order as to each motion identified below (*identify each motion by document number and title*).

**Motions:** Dkt. 5 - Plaintiffs' Motion for a Preliminary Injunction

<i>Printed names of parties and attorneys</i>	<i>Signatures of parties or attorneys</i>	<i>Dates</i>
Jason Blust; Jaclyn Blust	/s/ Rodney O. Personius, Esq.	02/09/2024
Lit Def Strategies, LLC Relialit, LLC.	/s/ Rodney O. Personius, Esq.	02/09/2024
The Blust Family Irrevocable Trust Through Donald Holmgren	/s/ Rodney O. Personius, Esq.	02/09/2024

**Reference Order**

**IT IS ORDERED:** The motions are referred to a United States magistrate judge to conduct all proceedings and enter a final order on the motions identified above in accordance with 28 U.S.C. § 636(c).

Date:

*District Judge's signature**Printed name and title*

Note: Return this form to the clerk of court only if you are consenting to the exercise of jurisdiction by a United States magistrate judge. Do not return this form to a judge.

**UNITED STATES DISTRICT COURT**  
for the  
**Western District of New York**

CFPB et al.	)	
<i>Plaintiff</i>	)	
v.	)	Civil Action No. 24-CV-40-EAW-MJR
STRATFS, LLC et al.	)	
<i>Defendant</i>	)	

**NOTICE, CONSENT, AND REFERENCE OF A DISPOSITIVE MOTION TO A MAGISTRATE JUDGE**

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Motions: [5] MOTION for Preliminary Injunction .

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*Printed names of parties and attorneys*

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*Signatures of parties or attorneys*

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*Dates*

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**Reference Order**

**IT IS ORDERED:** The motions are referred to a United States magistrate judge to conduct all proceedings and enter a final order on the motions identified above in accordance with 28 U.S.C. § 636(c).

Date: \_\_\_\_\_

*District Judge's signature*

**HON. ELIZABETH A. WOLFORD, CHIEF JUDGE**

*Printed name and title*

Note: Return this form to the clerk of court only if you are consenting to the exercise of jurisdiction by a United States magistrate judge. Do not return this form to a judge.

*Printed names of parties and attorneys*

Bedrock Client Services, LLC

Boulder Client Services, LLC

Canyon Client Services, LLC

Carolina Client Services, LLC

Great Lakes Client Services, LLC

Guidestone Client Services, LLC

Harbor Client Services, LLC

Heartland Client Services, LLC

Monarch Client Services, LLC

Newport Client Services, LLC

Northstar Client Services, LLC

Option 1 Client Services, LLC

Pioneer Client Services, LLC

Rockwell Client Services, LLC

Royal Client Services, LLC

Stonepoint Client Services, LLC

Strategic CS, LLC

Strategic Client Support, LLC

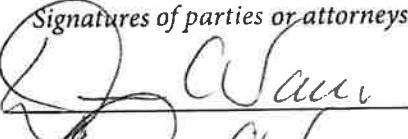
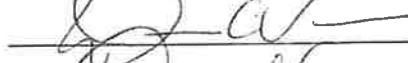
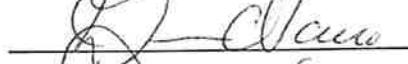
Strategic Consulting, LLC

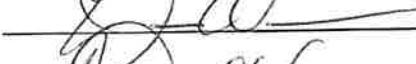
Strategic FS Buffalo, LLC

Strategic Family, Inc.

Strategic NYC, LLC

StratFS, LLC

*Signatures of parties or attorneys**Dates* 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024 02/13/2024

<i>Printed names of parties and attorneys</i>	<i>Signatures of parties or attorneys</i>	<i>Dates</i>
Summit Client Services, LLC		02/13/2024
T Fin, LLC		02/13/2024
Versara Lending, LLC		02/13/2024
Whitestone Client Services, LLC		02/13/2024
BCF Capital, LLC		02/13/2024
Anchor Client Services, LLC		02/13/2024

**UNITED STATES DISTRICT COURT**  
for the  
**Western District of New York**

Consumer Financial Protection Bureau, et al.

)

*Plaintiff*

)

v.

)

StratFS, et al.

Civil Action No. 1:24-cv-00040-EAW-MJR

*Defendant*

)

**NOTICE, CONSENT, AND REFERENCE OF A DISPOSITIVE MOTION TO A MAGISTRATE JUDGE**

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**Motions:** Plaintiffs' Motion for Preliminary Injunction [Dkt. 5]

*Printed names of parties and attorneys*  
Terrence M. Connors

*Signatures of parties or attorneys*

*Dates*

02/13/2024

*Terren. Connors*

Intervenor Law Firms

**Reference Order**

**IT IS ORDERED:** The motions are referred to a United States magistrate judge to conduct all proceedings and enter a final order on the motions identified above in accordance with 28 U.S.C. § 636(c).

Date: \_\_\_\_\_

*District Judge's signature*

*Printed name and title*

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# EXHIBIT C

11 TRANSCRIPT OF EVIDENTIARY HEARING  
12 BEFORE THE HONORABLE MICHAEL J. ROEMER  
UNITED STATES MAGISTRATE JUDGE

23                   COURT REPORTER: Brandi A. Wilkins  
                      scalisa@gmail.com  
24                   Kenneth B. Keating Federal Building  
                     100 State Street, Room 1250A  
25                   Rochester, New York 14614

1       them we're happy to stand on the declarations and the  
2       exhibits that are already there. I've also spoken  
3       with the receiver about Mr. Avila and I'll let the  
4       receiver explain about the status of Mr. Avila.

5                  THE COURT: Mr. McNamara?

6                  MR. MCNAMARA: You may remember that Mr.  
7       Avila was an accountant and when we were here in May  
8       we found these documents reflected that cutting to the  
9       chase I think I now understand what happened. Fidelis  
10      through Cameron Christo would beginning of the month  
11      create invoices for Fidelis.

12                 They would be forwarded to Avila who was  
13       using a Client First Bankruptcy email address and then  
14       Avila would send it to the law firm managers what I'll  
15       call the front attorneys to sign off and to say okay  
16       yeah this bill is fine. We weren't sure what was  
17       going on because we saw you know when we were here in  
18       May we first filed all of this happening pretty  
19       quickly we weren't sure exactly what was happening but  
20       we have now confirmed that that was the case.

21                 I thought that it was different and I think  
22       I probably made that argument to the court but now  
23       we've cleared it up that the process was like this  
24       Christo issued invoices every month to different law  
25       firms sent them to Avila. Avila then sent them out to

1       those managers. They had to sign them and then they  
2       would be sent back to Avila so they had a paper trail  
3       and what we had seen in the Lit Def files we had seen  
4       those come in to Ms. Hinds and Ms. Hinds as it turns  
5       out is one of the front attorneys for like three of  
6       the firms.

7                   So we were seeing them come into her as the  
8       manager of one of those firms and we weren't sure  
9       exactly what was going on so for what it's worth and I  
10      probably should have got to the court earlier I don't  
11      think Mr. Avila we won't need to call them I talked to  
12      the CFPB and I don't think they need to call them and  
13      I think we cleared up that concern.

14                  THE COURT: All right. So we're done with  
15      Mr. Avila?

16                  MR. MCNAMARA: We are.

17                  THE COURT: And it sounds like we are done  
18      with witnesses other than Mr. Christo.

19                  MR. SANDERS: Other than Mr. Christo, yes.  
20      Like I said, we agreed to counsel that neither side  
21      needs to question Hanson, Walker or Callahan.

22                  THE COURT: All right. So we're done from  
23      today?

24                  MR. SANDERS: From the Bureau's perspective,  
25      Judge, I think we can wrap up today.